



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts**

**P.O. Box 1295**

**Richmond, Virginia 23218**

June 6, 2001

The Honorable Philip V. Daffron  
Chief Judge  
City of Colonial Heights General District Court  
PO Box 279  
Colonial Heights, VA 23834

The Honorable Jerry Henrick, Jr.  
Chief Judge  
City of Colonial Heights Juvenile and  
Domestic Relations District Court  
PO Box 520  
Chesterfield, VA 23832

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the City of Colonial Heights District Court for the period January 1, 2000 through March 31, 2001.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

## **Properly Document and Maintain Manual Receipts**

The Clerk did not maintain manual receipts as required or appropriately document their use on the accounting system's Receipt Number Summary form. Financial Management System User's Guide requires the Clerk to attach the receipts to the daily financial reports or the end of day register reports. Appropriate documentation and retention ensures the proper entry of all transactions in the system and helps prevent fraud or misappropriation of funds.

## **Reconcile Bank Account Monthly**

The Clerk has not reconciled the bank account since December 2000. Each month, the Clerk attempted reconciliation, but she did not understand how to resolve differences. As of

February 2001, the bank account had an unresolved difference of \$9,716. Proper bank reconciliations include identifying and resolving differences between the bank balance and the system's cash balance. Monthly bank reconciliations are essential for determining the proper recording of all transactions and detecting errors. When the bank account cannot be reconciled, the Clerk should immediately seek assistance from the Supreme Court.

We discussed these comments with the Clerk on June 6, 2001 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Thomas L. Vaughn, Judge  
The Honorable Bonnie C. Davis, Judge  
Donna M. Slade, Clerk  
Don Lucido, Director of Technical Assistance  
Supreme Court of Virginia  
LeAnne Lane, Court Analyst  
Supreme Court of Virginia